

Oversight Division

C o m m i t t e e O n L e g i s l a t i v e R e s e a r c h

Program Evaluation
Animal Care Facilities Act
Department of Agriculture

Program Evaluation: Animal Care Facilities Act Department of Agriculture

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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February, 2000

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THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately \$16 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

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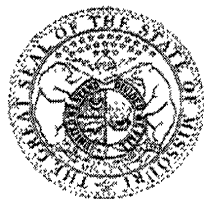
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STATE CAPITOL
JEFFERSON CITY, MISSOURI 65101-6806

February, 2000

Members of the General Assembly:

The Joint Committee on Legislative Research adopted a resolution in June, 1999, directing the Oversight Division to perform a program evaluation of the Animal Care Facilities Act, Department of Agriculture.

The accompanying report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates.

Respectfully,

A handwritten signature in black ink, reading "Robert M. Clayton III".

Representative Robert M. Clayton III
Chairman

EXECUTIVE SUMMARY

The Animal Care Facilities Act was passed in 1992 by the Missouri Legislature to ensure dogs and cats, specifically those under the care of breeders, dealers, exhibitors, hobbyists, boarders, retail pet stores, animal shelters and municipal pounds receive adequate care, shelter, health care and proper socialization. The law was designed to maintain quality and integrity in the state's companion animal care industry. The ACFA law requires any facility, other than those under the direct supervision of a veterinarian, to be licensed and inspected by the Department of Agriculture. Currently there are approximately 1,900 facilities licensed and inspected each year. Missouri reportedly has 33% of the national total of federally licensed Class A commercial breeders monitored by the United States Department of Agriculture and 13% of Class B dealer/brokers.

The Animal Care Facilities Act (ACFA) program is funded by licensing fees charged to facilities. However, not all facilities regulated by the ACFA program are required to pay license fees which renders the Animal Care Reserve Fund unable to fully sustain the program without subsidies from the state's General Revenue Fund. Oversight estimates total expenses of the program exceed revenues by approximately \$104,000 annually.


ACFA program regulations mirror federal regulations in regard to licensing, registration, record keeping, identification tags and holding period, with only minor exceptions. Both the state program and the federal program maintain a staff for inspection and regulatory duties. The average caseload for a USDA inspector is 150 to 180 facilities, while the average caseload for a state ACFA inspector is 237 facilities. Oversight determined that ten percent of the commercial breeders and fifteen percent of dealers had been inspected by both USDA and ACFA within a 30 day period. Although ACFA may not be able to rely entirely on USDA inspection reports, the information would be beneficial in state inspection efforts. However, these reports are often several months old when received by ACFA and little emphasis is placed on them. Efforts should be made to coordinate inspections and share information related to them where possible.

According to state officials, the ACFA program has not revoked or suspended any licenses since its inception. Officials state they hold administrative hearings with licensees concerning continual non-compliance with mandated rules and regulations. However, most licensees choose to voluntarily surrender their ACFA license rather than correct non-compliant items in their facilities. Only two administrative hearings resulted in fines levied against licensees in 1999, each for \$100. In contrast, of the approximately 1,100 dually licensed animal care facilities operating in Missouri in 1999, statutory violations of USDA regulations resulted in 30 to 40 comprehensive investigations by the USDA. According to the USDA, 95% of the cases are resolved by substantial fines and/or suspensions levied against the licensee. In 1999, these investigations resulted in three suspensions and 24 fines levied against licensees. Since state and federal regulations are substantially the same for dually regulated facilities, the state ACFA program should develop standard procedures for follow-up on USDA inspections of non-compliant activities and administrative sanctions levied. A mechanism should be in place whereby a license revocation/suspension by the USDA would prompt

immediate investigation by the ACFA staff which ultimately could warrant a license revocation/suspension from the ACFA program as well.

Oversight concluded that better communication between the federal inspection program and the state inspection program would enhance the overall regulation of animal care facilities in the state. An updated system of maintaining computerized records would facilitate the state's sharing of information. It is anticipated that information regarding federal USDA inspection and regulatory efforts will be made available on the Internet in the very near future. Such information, if timely, would likely assist the state ACFA program in performing their job duties.

The Oversight Division did not examine departmental financial statements and accordingly does not express an opinion on them. We acknowledge the cooperation and assistance of Missouri Department of Agriculture staff and United States Department of Agriculture staff in the evaluation process.


Jeanne Jarrett, CPA
Director, Oversight Division

Chapter 1 - Introduction

PURPOSE:

The General Assembly has provided by law that the Committee on Legislative Research may have access to and obtain information concerning the needs, organization, functioning, efficiency and financial status of any department of state government or of any institution that is supported in whole or in part by revenues of the state of Missouri. The General Assembly has further provided by law for the organization of an Oversight Division of the Committee on Legislative Research and, upon adoption of a resolution by the General Assembly or by the Committee on Legislative Research, for the Oversight Division to make investigations into legislative and governmental institutions of this state to aid the General Assembly.

The Committee on Legislative Research directed the Oversight Division to perform a program evaluation and expenditure review of the Animal Care Facilities Act Program (ACFA) within the Department of Agriculture (AGR) for the purpose of providing information to the General Assembly regarding proposed legislation and appropriation bills.

BACKGROUND:

The Animal Care Facilities Act (ACFA) became law on August 28, 1992. The purpose of the law is to ensure dogs and cats, specifically those under the care of breeders, dealers, exhibitors, hobbyists, boarders, retail pet stores, animal shelters, and municipal pounds receive adequate care, shelter, health care and proper socialization. The law was designed to maintain quality and integrity in the state's companion animal industry.

According to the USDA Regulatory Enforcement and Animal Care, Missouri currently has more companion animal producers and distributors than any other state. Missouri has 949 out of the total 2,892 licensed Class A commercial breeders monitored by the USDA, representing 33% of the total. In addition, Missouri has 132 out of the total 1,034 licensed Class B dealers/brokers, representing 13%.

The ACFA law requires any facility (not under the direct supervision of a licensed veterinarian) that provides care to dogs and cats to be licensed and inspected by the Department of Agriculture (AGR). Currently there are approximately 1,900 facilities licensed and inspected each year.

The ACFA law, designed to benefit both the animals and the pet industry, requires any animal shelter, pound or dog pound, boarding kennel, commercial kennel, contract kennel, pet shop, or exhibition facility, dealer or commercial breeder to be licensed and inspected annually. Animal

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shelters, pounds and dog pounds are exempt from paying a license fee, but are subject to annual inspections and licensure.

Licensees must comply with regulations that establish standards relating to adequate food, water, and shelter including sanitation and ventilation. Every licensee regulated under the ACFA Law is required to meet the minimum standards of veterinary care, facility construction, handling, and transportation. The licensee must also keep records pertaining to the acquisition and distribution of animals. The law also establishes annual license fees, with a \$100 minimum and \$500 maximum fee. The ACFA's base license fee is \$100, plus a "per animal/per capita" fee per number of animals sold or boarded set by the AGR outlined in 2 CSR 30-9.020 (2); however, the total fee, including licensure plus per capital amounts, is capped at \$500. The law also requires registration of hobby/show breeders with less than ten intact females. While hobby/show breeders do not require inspection, applications and registrations must be processed and maintained in the record system.

The "Animal Care Reserve Fund" (ACRF) was created by statute to administer the provisions of the Animal Care Program. Section 273.357, RSMo states all fees collected from licensees would be deposited into such fund and would be subject to appropriation for the use and benefit of the AGR to administer the provisions of this act. However, the current fee structure, as currently defined, cannot fully support the Animal Care Facilities Act (ACFA) program. Currently, and in previous years, General Revenue (GR) funds have subsidized the program. General Revenue funds of approximately \$46,000 were appropriated for the ACFA program for FY 00 and approximately \$35,000 for subsequent years. The appropriation was to fund personal service (PS) and expense and equipment (E&E) for one FTE Animal Health Officer.

Annual salaries of \$130,764 are currently being paid from GR. This includes the total salary amounts for three Animal Health Officers and a percentage of the annual salaries of four other Animal Health Officers. Also, AGR officials recently reported that two new vehicles were to be purchased from GR funds for Animal Health Officers, one who works 100% for the ACFA program and the other who works 80% for the ACFA program. Oversight estimates that total expenses of the program are approximately \$104,000 in excess of revenues annually. This calculation was based on ACFA revenue for FY 99 and newly appropriated GR for FY 00; expense and equipment for FY 99; and current personal service expense. The analysis also includes an annual estimate of \$20,000 for vehicle replacement. Currently, of the eight vehicles driven by the Animal Health Officers, four have mileage in excess of 100,000 miles.

The following table illustrates total program costs for FY99, including current personal service expense:

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Total Salaries & Fringe	\$344,075
ADD: Expense & Equipment **	\$ 47,113
ADD: Vehicle Purchase	\$ 20,000
TOTAL PROGRAM COSTS	\$411,188

** FY 99 data used

This table identifies total program revenue sources from fee collections and General Revenue appropriations:

Animal Care Reserve Fund (ACRF)	\$270,941
General Revenue - Personal Service	\$ 23,748
General Revenue - Expense & Equipment	\$ 11,948
TOTAL ANNUAL FUNDING	\$306,637

Although the Animal Care Reserve Fund (ACRF) is maintaining a healthy fund balance of \$228,834 at the end of FY 99, the fund would be almost depleted by the end of FY 01 with a balance of \$19,732 if the program is not subsidized by GR.

The following table identifies the projected ACRF balance over the next few fiscal years, assuming a constant level in both revenues and expenses:

	FY00	FY01	FY02	FY03
Beg. Fund Balance	228,834	124,283	19,732	(84,819)
Revenue	306,637	306,637	306,637	306,637
Expenses	(411,188)	(411,188)	(411,188)	(411,188)
End. Fund Balance	124,283	19,732	(84,819)	(189,370)

The budget for FY 00 requested two FTE, but only one was approved. AGR has included a request for one FTE in the FY 01 budget.

Capping the amount of the annual license fees paid to the ACFA Program at \$500, based upon the per capita fee structure detailed in 2 CSR 30-9.020 (2)(A), limits the amount of funds that can

be generated to support this program. However, changes to the current fee structure would require action by the General Assembly.

SCOPE/METHODOLOGY:

The scope for the evaluation included a review of the coordination and cooperation between the staff within the Missouri Department of Agriculture's Animal Care Facilities Program and the United States Department of Agriculture (USDA) to ensure adequate animal care; identifying those areas in state law and federal law that are similar or different. In addition, the evaluation staff reviewed the current fee structure to determine if it generates sufficient revenue to support program activities. A review of the program's licensing, inspection, and enforcement activities was also conducted. Finally, the evaluation team accompanied an Animal Health Officer during the conduct of inspections of facilities.

Chapter 2 - Issues For Consideration

Comment #1:

Coordination with USDA staff related to animal care inspections currently cannot be relied upon by ACFA staff.

When comparing the ACFA Rules and Regulations, 2 CSR 30-9.010 through 30-9.030, to the USDA Animal Welfare Regulations, 9 CFR, Chapter 1, Subchapter A, Parts 1, 2, 3, it appears that each set of written regulations are identical in wording, procedure and performance with regard to licensing, registration, record keeping, identification tags and holding period, with a few exceptions. In addition, the standards outlined by the USDA for adequate housing facilities, structurally sound primary enclosures, feeding and watering intervals and sanitation, housekeeping and pest control have been adopted verbatim by the ACFA program. However, the USDA has implemented and required compliance with some policies and procedures that have not been officially incorporated into the published federal guidelines. For example, USDA inspectors practice risk-based inspections and therefore, do not inspect facilities annually as is stated in the federal regulations. However, ACFA inspectors are mandated by State statute to conduct inspections annually. Therefore, to rely on the USDA inspection reports for those facilities that are dually

licensed would result in non-compliance issues with Missouri statutes.

The USDA inspects and issues licenses to Class A commercial breeders and Class B broker/dealers only. The State's ACFA regulations require the licensing and inspection of a number of different types of facilities that are not tracked or inspected by the USDA. The following facilities must be licensed and/or inspected by the ACFA staff: Animal shelters, dog pounds, boarding kennels, commercial kennels, contract kennels, pet shops, swap meets, rescue groups, foster homes and exhibition facilities. Therefore, more facilities are required to be inspected by the State agency than the Federal agency. The average caseload for a USDA inspector is between 150 to 180 facilities per year. The average caseload for an ACFA inspector is 237 facilities per year.

Additionally, it appears the USDA inspectors do not always follow the written federal guidelines as currently drafted and have been instructed to follow their own professional judgement when inspecting a facility. This results in various inspection findings reflecting the personal preferences of a particular USDA inspector versus the written guidelines. From review of many USDA reports, it appears that some USDA inspectors may be more lenient than others, or may have required additional facility enhancements not necessarily supported by federal regulations.

A review and analysis of the dates of the USDA inspections and ACFA inspections on dually licensed facilities was conducted to determine the level of duplication of effort and to assign a monetary value to the duplication. It was difficult to identify any savings that could be realized on behalf of the ACFA program through coordination of USDA and ACFA inspections, since the USDA does not necessarily inspect annually. Ten percent of the commercial breeders and fifteen percent of dealers had been inspected by both USDA inspectors and ACFA inspectors within a 30 day period. The resulting fiscal

impact of such duplication is approximately \$50,000, based on a calculated cost per inspection of \$212.75.

Although there is currently a limited duplication of effort between the State and Federal Inspectors, efforts should be made to coordinate inspections and share information related to them where possible.

Comment #2:

The database utilized by the ACFA staff prohibits the extraction of information necessary to assist management in decision making concerning the ACFA program.

Since the current system is dated, the ACFA staff is not able to utilize the full spectrum of information that is captured on each licensee, thereby limiting AGR's ability to maximize potential benefits that could be realized from such a system. With such limitations, ACFA is unable to share accurate and timely information concerning dually licensed facilities with the USDA.

Some of the information that is gathered on a routine basis as part of the annual application/renewal process is not always entered into the database, due to the system's inability to accept such information. The database fields are narrowly defined and will not accommodate expanded narrative. For example, there is nothing in the database to indicate why a particular entity is no longer licensed. The reasons may vary and may be a result of an economic decision on the part of the breeder not to continue in the business or it may be as a result of an investigation by ACFA or USDA staff where a revocation of the license has occurred. However, there is no indicator in the database that will allow this determination to be made in an efficient manner. In addition, the database identifies neither those licensees who have failed two consecutive re-inspections for an original violation, nor those licensees that have had their license revoked pursuant to 273.329 RSMo. In order to identify the number of revocations, pending administrative actions, etc., the ACFA staff must pull all 2,000 files and perform a manual review.

The ACFA database was developed over time and a thorough review of the needs of the ACFA staff and other AGR staff has not been conducted. An in-depth user analysis should be conducted to identify necessary information that should be captured in the database. A more functional database containing financial and statistical information would allow the ACFA Animal Health Officers to conduct inspections more efficiently; allow the AGR to quickly identify trends with individual licensees or the animal companion business overall; and allow ACFA staff to share information concerning dually licensed facilities with the USDA Animal Inspectors serving Missouri. In addition, other business areas within the AGR could access information from the database for useful analysis and budgetary support. Without the ability to query the animal care information in various ways, the Department is limited in its ability to effectively manage and/or justify changes to the ACFA Program.

The ACFA database should include all essential information deemed necessary to support planning and decision processes. Therefore, the AGR should dedicate efforts to updating the system, so that it can become a more useful tool to the Department and to the ACFA program.

Comment #3:

Some licensure categories are exempt from paying fees, but must be inspected annually to ensure compliance with the rules and regulations of the Animal Care Facilities Act (ACFA) program.

The ACFA statutes exempt certain licensure categories from paying fees. These include pounds, dog pounds, animal shelters, persons who harbor three or less intact females, and hobby/show breeders, defined as a non-commercial breeder who harbors no more than ten intact females and sells only to other breeders or to individuals.

The exemption of animal shelters, dog pounds, rescue groups and foster homes from paying fees increases the inspection workloads of each Animal Health Officer, while not financially supporting the program. Dog pounds and animal shelters represent 12.74% of the licensees who are required to be inspected annually, yet provide no revenue

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for the program (See table on page 9). Recent estimates from AGR indicated there were 248 pounds, dog pounds and animal shelters that are exempt from paying the \$100 fee. Removing this exemption could yield, at a minimum, additional revenue of \$24,800. In addition, grooming facilities and swap meets, though included in the statutory definitions of commercial kennels or pet stores, are not being inspected by ACFA staff. This also results in an undeterminable loss of revenue for the program. In effect, the licensees that pay fees are subsidizing the inspection of the exempt facilities.

The USDA regulations do not exempt any licensed facilities from paying the annual license fees. If a facility is required to be licensed by the USDA, the facility must also pay the application fee and the annual license fees.

The USDA does exempt certain facilities from the licensing requirements. The following persons are exempt: retail pet stores which sell non-dangerous, pet-type animals; any person who derives no more than \$500 gross income from the sale of animals to a research facility, an exhibitor, a dealer, or a pet store during any calendar year; any person who maintains a total of three or fewer breeding female dogs and/or cats and who sells only the offspring of these dogs or cats; any person who sells fewer than 25 dogs and/or cats per year for research, teaching or testing purposes; any person who transports animals solely for the purpose of breeding, exhibiting in purebred shows, grooming, or medical treatment; and any person who buys, sells or transports animals used solely for purposes of food or fiber.

Oversight recommends the General Assembly consider legislative changes to more closely parallel AGR requirements to those of the USDA and make fee requirements correspond with licensure requirements. This would result in removing the exemptions and charging application and per capita fees to all categories.

Licensed Animal Care Facilities (as of 11/12/99)

	Licensees Per Category	Percentage of Total Population of Licensees	Percentage of Total Population Who Do <u>NOT</u> Pay Fees	Percentage of Total Population Inspected Annually	Percentage of Total Population <u>NOT</u> Inspected Annually
Commercial Breeders	1103	57.12%		57.12%	
Commercial Kennels	27	1.40%		1.40%	
Boarding Kennels	119	6.16%		6.16%	
Dealers	75	3.88%		3.88%	
Pet Shops	78	4.04%		4.04%	
Contract Kennels	18	0.93%		0.93%	
Exhibitions	5	0.26%		0.26%	
Hobby/Show Licensed	24	1.24%		1.24%	
Hobby/Show Registered	227	11.76%	11.76%		11.76%
Animal Shelters **	55	2.85%	2.85%	2.85%	
Dog Pounds **	191	9.89%	9.89%	9.89%	
Pet Sitters	7	0.36%		0.36%	
Intermediate Handler	2	0.10%		0.10%	
TOTAL	1931	100%	24.50%	88.24%	11.76%

** Don't pay fees but are required to be inspected. Other licensure categories are subsidizing the cost of inspecting these facilities. Based on \$212.75 per inspection, costs incurred are approximately \$52,337 $((55 + 191) \times \$212.75 = \$52,336.50)$.

Comment #4:

The Department of Agriculture (AGR) does not enforce compliance with 2 CSR 30-9.020 (3)(B) with regard to reporting the numbers of animals sold and boarded in the state.

Complete reporting of the number of animals sold and boarded is not enforced by AGR. According to 2 CSR 30-9.020 (3)(B), each licensee shall submit the total number of animals sold, traded, bartered, brokered, given away, boarded or exhibited during the previous year, January through December and any other information required on the form.

For those who pay the maximum fee of \$500, many do not report the total numbers of animals. Of the 100 licensees paying the \$500 maximum, numbers of animals sold and/or boarded were omitted entirely on the form for 14 licensees. Also, the number of animals reported by nine other licensees was not large enough to support the necessity to pay the \$500 maximum fee. AGR accepted the \$500 fee without questioning the reported number of animals. Because some licensees that are paying the \$500 maximum are not reporting any numbers, the AGR cannot determine if correct amounts have been paid or if adjustments should be made.

The AGR is not enforcing the reporting requirement and is accepting the maximum \$500 annual license fee without further request for the number of animals sold, traded, bartered, brokered, given away, boarded or exhibited during the previous year. The AGR is not making licensure contingent upon complete reporting by the licensees as required by the above citation.

This could be an issue when the structure of the fee schedule is reviewed, since there is a per capita charge that is based on the number of dogs sold and boarded. AGR cannot conduct a comprehensive analysis without this information. Failure to capture this information leaves the AGR unable to determine the total amount of revenue that could be generated if the per capita fee structure were changed. In addition, this information would be helpful to illustrate to what extent the animal companion industry has

on Missouri's economy. Since this industry has a definite impact on the economy relating to animal food sold, veterinary care sought, animal breeders and dealers in business, an estimate of the extent of this increase could be helpful.

Oversight recommends the AGR enforce reporting requirements by not issuing licenses until reporting is complete.

Comment # 5:

The Department of Agriculture (AGR) has not exercised its authority to the extent provided by statute to revoke or suspend licenses, or levy fines against licensees for violations of rules and regulations.

According to AGR officials, the AGR has not revoked or suspended any licenses since the inception of the ACFA program. AGR officials stated they hold administrative hearings with licensees concerning continual non-compliance with mandated rules and regulations. However, most licensees choose to voluntarily surrender their ACFA license rather than correct non-compliant items in their facilities. As a result, only two administrative hearings resulted in \$100 fines levied against licensees in 1999; this represents one percent of the nearly 2,000 facilities licensed.

In contrast, of the approximately 1,100 dually licensed animal care facilities operating in Missouri in 1999, statutory violations of USDA regulations resulted in 30 to 40 comprehensive investigations by the USDA. According to the USDA, 95% of the cases are resolved by substantial fines and/or suspensions levied against the licensee. In 1999, these investigations resulted in three suspensions and 24 fines levied against licensees.

The AGR maintains a cooperative role with licensees and appears to operate in a supportive capacity rather than a regulatory capacity. The AGR officials have noted that rather than levy fines on licensees, they would prefer to direct those monies toward improvements in the facility to enable the licensee to come into compliance.

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Once the ACFA Animal Health Officers have conducted their inspections and have identified areas of continual non-compliance, AGR should be willing to exercise its statutory authority to revoke or suspend licenses if the case warrants. Exercising this authority is an effective tool in maintaining integrity and quality within the animal companion industry.

AGR should develop standard procedures for follow-up on USDA inspections of non-compliant activities and administrative sanctions levied against dually licensed facilities. ACFA should obtain information from the USDA on investigations and revocations/ suspensions in order to follow-up with state conducted investigations and/or disciplinary actions. A mechanism should be in place whereby a license revocation/suspension by the USDA would prompt immediate investigation by the ACFA staff and ultimately, could warrant a license revocation/suspension from the ACFA Program as well. It is likely those facilities that have been revoked/suspended by the USDA are also non-compliant with State statutes. In turn, the ACFA staff should also notify USDA inspectors on the problematic facilities noted by State staff for USDA follow-up.

Comment #6:

ACFA Animal Health Officers do not routinely refer to the USDA inspection reports on dually licensed facilities prior to performing ACFA inspections.

The USDA inspection reports provide an additional tool available to the ACFA Animal Health Officers that would add to the value of Missouri's inspections. However, the USDA inspection reports should not be used as a substitute for the ACFA inspection. USDA inspection reports are received sporadically by the ACFA staff on dually licensed facilities. These reports are often several months old when received and therefore, ACFA staff have not placed much emphasis on these reports. However, when the USDA reports become available, the ACFA Animal Health Officers and staff should review the USDA inspection reports in order to increase their knowledge of a particular facility and achieve maximum benefits from the dual regulatory activities. Additionally, the ACFA inspection

reports could provide additional information to the USDA inspectors in Missouri.

It would be beneficial for both ACFA staff and USDA staff to communicate openly and share information in order to enhance the inspections of each group.

The USDA indicated to the ACFA staff that beginning in January 2000 all the USDA reports would be posted on the world wide web and would be accessible to all state agencies for review. As a result, the USDA staff will no longer be sending copies of the USDA inspection reports to the states affected. The USDA inspection reports will be available for review by the ACFA inspectors, as well as the general public, via the Internet.

Comment #7:

The geographic dispersion of districts is not aligned with Federal districts.

The ACFA Program has eight Animal Health Officers assigned to perform inspections in various parts of the state. Three of these officers are also assigned other tasks outside the ACFA program within the AGR, such as the collection of milk samples, brucellosis testing, inspection of sale barns and assisting other Agriculture staff during the American Royal horse show, etc. However, there is no significant difference in the number of ACFA inspections that are expected to be completed by part-time versus full-time Animal Health Officers.

For example, two of the Animal Health Officers are designated as working 80% for the ACFA Program, and one Animal Health Officer is designated as working 50%, yet their workload appears to be comparable to those designated as working 100% for the ACFA Program.

It appears an attempt has been made to assign each of the Officers a comparable number of licensees to inspect; however, apparently, there is a disparity of coverage area involved. One Officer who was assigned 12.30% of the workload drove 44,345 miles annually, while an Officer

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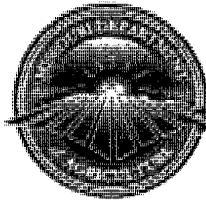
who had 12.87% of the assigned workload drove only 11,312 miles. Based on AGR's policy of replacing vehicles with mileage in excess of 100,000, the Officer who drove 44,345 miles last year, would need to have the vehicle replaced about every 2.5 years. More importantly, it appears this Officer would spend a significant percentage of time driving, resulting in less time to direct efforts toward the enforcement process of licensees.

Federal district boundaries, while similar in some areas of the State, vary from state district boundaries. In fact, in one state district, three federal districts overlap. Coordination of boundaries could facilitate cooperation between the state and federal counterparts and limit the number of contact persons each has. The ACFA Officers could more likely achieve a one-on-one working rapport with the USDA staff if they were working with only one or two USDA staff, rather than more.

Such a distribution of the workload and associated travel is inefficient. If there was a more equitable distribution of coverage area, this could result in less miles driven. Thus, savings could be realized from vehicle replacement costs.

When distributing workload and ultimately geographic dispersion, consideration should be given to federal district boundaries. Consideration should also be given to full-time Officers versus those who only work part-time on the ACFA Program.

APPENDIX 1



DEPARTMENT of AGRICULTURE

STATE OF MISSOURI

JEFFERSON CITY

February 10, 2000

MEL CARNAHAN
GOVERNOR

JOHN L. SAUNDERS
DIRECTOR

Ms. Jeanne Jarrett, Director
Committee on Legislative Research
Oversight Division
State Capitol, Room 132
Jefferson City, Missouri 65101

Dear Ms. Jarrett:

We appreciate the findings of the Animal Care Facility Act (ACFA) audit and thank you for the time and research involved in reviewing our program. It contains many ideas we can use to improve our service delivery and regulatory activity. Our responses are in order of your numbered comments.

COMMENT #1

This response is to page 4, paragraph 1, regarding the wording of our regulations being copied verbatim from USDA. Our law requires that our regulations for USDA facilities be the same as USDA.

COMMENT #2

We agree with your comments on page 6, paragraph 2, about our database and computer record system. Our system developed as funds became available and grew with the progress. It has been adequate to meet our daily needs since the program began in 1992. However, your audit has revealed that a better system would give us much more information. Unfortunately, without new revenue we will be unable to do a complete overhaul of the system.

COMMENT #3

We strongly agree with your statement regarding fees on page 8 that would allow us to charge fees for all categories licensed. We have found that the exempt facilities in fact consume a disproportionate share of our time and money.

COMMENT #4

In response to comment 4 on page 10, we have not required a reporting of the total number of animals for facilities that meet the requirements of the \$500 maximum. We agree that this is information needed and required and plan to secure this in the future.

Division of Animal Health

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COMMENT #5

We believe the well being, care and condition of the animals is central to our mission. Our approach is to both regulate and educate the facility management with three (3) possible outcomes in difficult facilities:

- 1) Improve and upgrade to pass inspection
- 2) Reduce the number of animals so that the available resources are sufficient to pass inspection while finding new homes for the animals removed.
- 3) Cease operation and locate homes for the animals affected.

Our system does not abandon problem facilities leaving animals in distress, instead the burden remains with the licensee to work through the continuous inspection process to correct the deficiencies. If they are unable to do so on a timely basis we ask for a voluntary cessation of business and surrender of license. We believe this is better than an immediate license revocation.

We have had a few cases that failed to comply and in those cases we have pursued a more stringent course of action by either administrative hearings or through the local county prosecutor. However, in all such cases we have always observed appropriate due process. Finally, the county sheriff, prosecutor and area field staff have handled several problem cases locally.

COMMENT #6

In regards to the discussion on pages 12 and 13 about the availability of USDA inspection reports, we have had difficulty getting them and were not surprised at your inability also to access them on the new USDA website for inspection. Hopefully, with time, USDA will be able to improve inspection availability through its website. At that time we can revisit the issue of how best to use them in our inspection cycle.

COMMENT #7

Next regarding geographical area and workloads on pages 13 and 14, we try to assign counties to keep workloads equal and travel times reasonable. However, we are severely limited by the overall size of the state and the uneven distribution of ACFA sites throughout the state. This is a problem we are aware of and are always trying to improve. The addition of one new inspector in the central part of the state would help correct some of the disproportionate travel times.

Ms. Jeanne Jarrett
February 10, 2000
Page Three

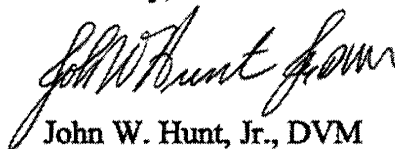
RE: OTHER ITEMS/COMMENTS

Finally, we would like to mention a few other things we have done that we believe deserve attention:

1. We have hosted a joint USDA/ACFA and Kansas Animal Care Conference last summer in Kansas City to discuss many of our mutual concerns and many of the items mentioned in your audit. We focused special attention on coordination of inspection efforts, the new risk-based inspection planned by USDA and the new USDA website that will make USDA inspections available to other states.
2. We have streamlined the ACFA program inquiry process that immediately initiates an investigation process. By thoroughly checking dealer records we have located numerous previously unlicensed kennels and successfully licensed them with ACFA and referred them on to USDA.
3. Finally, we believe that since its inception, the ACFA program has continuously improved the overall care and well being of animals and improved the perception of the companion animal industry in the general public.

Please feel free to contact my office at (573) 751-3377 if you have any questions regarding this information.

Sincerely,



John W. Hunt, Jr., DVM
State Veterinarian – Director
Division of Animal Health

JWH/jfs